The International Monetary and Financial Committee (IMFC) of the Board of the Governors of the International Monetary Fund (IMF) in its meeting held on 11th October 2008 in Washington D.C. endorsed these commitments. In addition, the World Bank on 11th November 2008, in this context, has announced financial support for developing countries, including the launch or expansion of facilities for the crisis-hit private sector and to speed up grants and long-term loans to the world's 78 poor countries.

Subsequently, on the invitation of the United States of America (USA), the G-20 Summit on "Financial Markets and the World Economy" was held in the Washington on 15th November 2008. All G-7 countries which are members of G-20, Managing Director of IMF and the President of the World Bank also attended the summit.

After the Summit Meeting, the Leaders of Group of Twenty (G20) issued a declaration, *Inter alia*, outlining "Root Causes of the Current Crisis", "Actions taken and to Be Taken". Further, the declaration has put forth a comprehensive "Action Plan to Implement the Principles for Reform" as part of the coordinated response to the global financial turmoil. The G20 has proposed to carry forward the commitments in the Summit Declaration by constituting few G20 Working Groups that would have representation from each of the G20 member countries and these working groups would work out the details of the way forward.

(c) The restoration of confidence and normalcy in global financial markets would obviate the tight foreign currency liquidity conditions in the Indian foreign exchange market; help align the exchange rate of the rupee to fundamentals; through improved volumes of trade help restore export growth momentum; and relieve pressure on domestic liquidity which has arisen from the shift in the sources of financing from external to domestic.

Speeding up of infrastructure spending

2381. SHRI JESUDASU SEELAM: Will the PRIME MINISTER be pleased to state:

(a) whether he had promised to speed up infrastructure spending;

(b) whether he had also decided to review role of financial institutions;

(c) whether he had promised more steps to tackle financial crisis;

(d) if so, whether such steps have been introduced; and

(e) if so, to what extent these steps have improved the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) While the Prime Minister has not made any such promise, numerous steps have been announced to speed up infrastructure spending. Recently, the Government has announced various measures for stimulating the economy on December 7, 2008 which *Inter alia* include, to authorise the India Infrastructure Finance Company Ltd. (IIFCL) to raise Rs.10,000 crore through tax-free bonds by 31.03.20093. These funds will be used by IIFCL to re-finance bank lending of longer maturity to eligible infrastructure projects.

(b) No, Sir.

(c) to (e) The Government is keeping a close watch on the evolving economic situation and will take such steps as may be needed to maintain the pace of economic activity.

Recommendations of Joint Parliamentary Committee on the 1992 stocks scam

2382. DR. T. SUBBARAMI REDDY:
SHRI VIJAY JAWAHARLAL DARDA:

Will the PRIME MINISTER be pleased to state:

(a) whether Government has been slow in taking action on the recommendations of the Joint Parliamentary Committee set to inquire into 1992 stocks scam;

(b) if so, whether the Committee had made 276 recommendations;

(c) if so, what were the main reasons of delaying actions on these recommendations;

(d) to what extent the delay in implementation of the recommendations has affected stock exchanges; and

(e) if so, what are the steps now being taken to implement all the recommendations of the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) The Joint Parliamentary Committee (JPC) set up to inquire in to 1992 Stocks scam had made 273 individual items of observations/conclusions/recommendations in which Government's response to 147 recommendations was presented to the Parliament in Dec 1994. The action in respect of certain recommendations was long drawn by its very nature such as those involving amendment to Acts, action against institutions involved in the irregularities etc. Action in regard to some recommendations was of continuous nature such as improvement in supervision and control over banks/FIs, improvement in the internal control in banks/FIs, toning of vigilance machinery in banks etc.

The recommendations/implementations of 1992 JPC report were also considered by the Joint Parliamentary Committee set up in the year 2002 to inquire into 2001 Stock market scam and matters relating thereto. The irregularities brought out in the JPC reports on the 2001 scam did not reveal any systemic weaknesses but occurred basically due to violation of RBI norms and involved transactions of fraudulent nature by a few private/co-operative banks.

Foreign Exchange Reserves

2383. DR. V. MAITREYAN: Will the PRIME MINISTER be pleased to state:

(a) the present level of Foreign Exchange Reserves in the country;

(b) what is this level as compared to the last three financial years;

(c) what is the main reason for the shortfall in the foreign exchange reserves; and

(d) the steps being taken to improve the foreign exchange reserves to a comfortable position?